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RUEHNH/AMCONSUL NAHA PRIORITY 5925  
RUEHOK/AMCONSUL OSAKA KOBE PRIORITY 7388  
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S E C R E T SECTION 01 OF 04 TOKYO 000893

SIPDIS

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E.O. 12958: DECL: 04/17/2017  
TAGS: [PREL](#) [PINR](#) [PGOV](#) [ECON](#) [JA](#) [RS](#)  
SUBJECT: ASO-PUTIN MEETING UNLIKELY TO LEAD TO CHANGES IN  
JAPAN-RUSSIA RELATIONS (C-AL8-02662)

REF: A. TOKYO 00663  
[1](#)B. 07 TOKYO 0163  
[1](#)C. 08 TOKYO 1074  
[1](#)D. 08 TOKYO 0643  
[1](#)E. 08 TOKYO 3333  
[1](#)F. 07 TOKYO 0697  
[1](#)G. TOKYO 0667  
[1](#)H. 07 TOKYO 2690  
[1](#)I. 06 TOKYO 4665  
[1](#)J. STATE 135278

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Classified By: Charge d' Affaires, a.i. James P. Zumwalt. Reasons 1.4  
(B) (D)

[1](#)1. (S) Summary. As Tokyo and Moscow prepare for a possible mid-May visit by Prime Minister Vladimir Putin to Japan, Embassy Tokyo assesses as small the chances for a dramatic breakthrough in the Northern Territories dispute. A resigned acceptance of the status quo, combined with a lack of leadership on the issue, will prevent the two nations from either reaching any substantive new accommodation to improve bilateral relations or, conversely, to risk increased tensions by raising contentious issues. End Summary.

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Status Quo Generally Acceptable  
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[1](#)2. (S) Japan-Russia relations over the past several months have been marked by a series of events that seem to portend a shake-up in bilateral ties. Those recent events include Russia's January 28 capture (of yet another) Japanese fishing boat near the disputed Northern Territories, a January 28-29 dispute regarding Moscow's insistence that Japanese citizens

submit disembarkation cards as they attempted to deliver humanitarian aid to the Northern Territories, ex-PM Junichiro Koizumi's February 14-20 visit to Moscow, and the February 18 Medvedev-Aso summit on Sakhalin Island. However, while newsworthy, these events do not signify a major change in bilateral relations. For better or worse, the status quo is generally acceptable (and even profitable), and no one wants to rock the boat by seeking major changes in the relationship.

13. (S) The February 18 start of liquified natural gas shipments between Japan and Russia - energy supplies which Japan desperately needs much more than it needs an immediate resolution of the Northern Territories issue - will basically ensure that neither side will risk disrupting the Japan-Russia relationship. Japanese officials tell Embassy Tokyo they envision no major changes in Japan's energy security policy, which they describe as part of a broader diversification strategy aimed at reducing Tokyo's dependence on oil and gas from the Middle East while avoiding over-reliance on Russian energy (Ref A). There are substantial profits to be made by both countries - the Japanese energy business community finds the Sakhalin I and II energy arrangements profitable and enjoys a good working relationship with Gazprom (Ref B ). Additionally, the Russians have yet to guarantee Siberian reserves will be piped out through Siberia (vis--vis China) to the Pacific, though the Russians claim to have begun work on the terminal at Koz'mino near Vladivostok (Ref C ) - yet another energy source Tokyo cannot afford to pass up. The Japanese also want to be involved in Siberian development ) especially as the Russians eye Japanese rail and energy technology. While the January 28, 2009 fishing boat incident was unfortunate, it nonetheless has to be seen in the context of the hugely

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profitable and active fishing industry that most residents of the Northern Territories are happy about. In short, Tokyo and Moscow have enormous economic interests at stake and there is little to gain from shaking up Japan-Russia relations.

14. (S) Furthermore, domestic public opinion in Japan (and according to our Russian Embassy contacts, also in Russia) would not tolerate any type of compromise by a political leader. In that regard, Prime Minister Taro Aso has much less room for maneuver, given his low poll numbers and leadership of a ruling Liberal Democratic Party that is on the edge of an historic loss of control of the Diet. As a result, no ruling-party politician in Hokkaido would jeopardize a very popular visa-waiver program used by locals transiting between Hokkaido and the Northern Territories ) something a hard-pressed LDP would have to take into account as the party fights for its electoral life.

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History, Public Opinion, Aso Factors  
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15. (S) Our Russian Embassy contacts tell us flat out World War Two plays a gigantic role in Moscow's thinking on the Northern Territories. Specifically, the Kremlin considers the Northern Territories to be the price Japan paid for what the Russians believe was Tokyo's treachery in backing Hitler ) and partial compensation for the millions of lives Moscow lost to Berlin during the war (Ref D). MOFA Russia Division representatives also confirmed media reports (Ref E ) that related how the Russians literally laughed in PM Aso's face when the Japanese leader complained the Russians were dragging their feet on Northern Territories discussions. Despite such setbacks, MOFA officials consistently tell Embassy Tokyo, with confidence, they believe President Medvedev has the political will to resolve the Northern Territories issue and is eager to address the problem. However, the Foreign Ministry assesses, perhaps naively, the Russian President is not being adequately briefed by subordinates on working-level talks carried out to support

Medvedev's initiatives, and that the Russian leader often appears to be ill-informed about developments (Ref E).

¶6. (S) PM Aso would be loath to forge ahead in any new directions after the opposition Democratic Party of Japan (DPJ), media, academics, and public opinion excoriated him during his turn as FM for making remarks some interpreted as a proposal to return only half the land area contained in the four islands. (Comment: Foreign Ministry contacts told Embassy Tokyo at the time that then-FM Aso's remarks, provided in response to DPJ questioning that caught Aso off-guard during a Diet session, were mis-interpreted and that the FM never meant to imply Tokyo would settle for partial return of the four islands - Ref F).

¶7. (S) Leading academics from Keio and Aoyama Universities confirm to Embassy Tokyo that public opinion, while still not allowing for any dramatic concessions, is placing less value on the need for a quick resolution to the Northern Territories issue. Interestingly, Russia's July 2008 invasion of Georgia does not appear to have played any part ) positive or negative - in Tokyo's thinking about whether the Russians can be convinced to return the Northern Territories.

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Policy/Leadership Vacuum

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¶8. (S) Japan's policy toward Russia is delineated by two agreements. The Japan-Russia Action Plan, the culmination of then-President Putin's 2000 Tokyo visit and former FM Koizumi's 2003 trip to Moscow, outlines a series of agreed upon future actions in the fields of political dialogue, advancing peace treaty negotiations, international cooperation, trade and economic assistance, defense and security arrangements, and cultural exchanges. A second document, titled ""Initiative for Strengthening Japan-Russia Cooperation in the Russian Far East and Eastern Siberia,"" which former PM Shinzo Abe proposed on the margins of the 2007 Heiligendamm G-8 Summit, calls for private and public sector cooperation in the fields of energy, transportation, information and communication, environment, security, health and medicine, trade and investment, and cultural/tourism exchanges. Tokyo and Moscow have achieved limited success in meeting the goals set forth in both documents, including negotiations on an agreement on the peaceful uses of nuclear energy (Ref G). However, with neither side willing or able to achieve a significant breakthrough on the Northern Territories issue, bilateral summits invariably conclude with rapidly-worded joint statemnets noting Tokyo and Moscow have agreed to ""accelerate"" negotiations or to ""raise talks to a higher level"" - boilerplate language designed to appease constituencies in both countries.

¶9. (S) Unofficially, Japan lacks a plan to negotiate the return of the Northern Territories and a leader to step up and see the plan through. A number of our contacts note that Aso has few credible advisors on Northern Territories policy and his leadership style precludes him from listening to anyone about the problem. Few Japanese organizations, think tanks, or other entities are developing any policy direction for him ) including the Foreign Ministry. This policy vacuum extends to the main opposition DPJ, which Embassy Tokyo academic experts confirm has not developed a detailed and serious policy position on Russia or the Northern Territories. Unfortunaely, most Japanese academic debate about the Northern Territories is mired in tired, decades-old debates about the nuance that exists between the 1956 and 1993 declarations ) ""angels on the head of a pin""-type arguments which have no practical application to finding a solution to the Northern Territories problem today.

¶10. (S) One noteworthy exception to the stagnant thinking which permeates the academic community's approach to Russia

comes from the Policy Council of the Japan Forum on International Relations, a policy formulation group headed by Kenichi Ito. In February 2008, a Policy Council sub-team led by Keio University Professor Shigeki Hakamada drafted a set of policy recommendations which, while relying on several well-worn arguments about history and sovereignty, nevertheless called on Japan to monitor divergences in the Russia-PRC relationship, particularly with regard to energy resources, trade, and Central Asia, for opportunities to advance Tokyo's relations vis-a-vis Moscow. (Comment: Attempts to drive a wedge between Russia and China play an important role in Japan's official policy to Moscow - Ref H.) The Council report also called on Tokyo to re-examine the types of assistance Japan supplies to Russia, including humanitarian aid which, according to the study, Moscow no longer requires.

¶11. (S) Several Japanese opinion-leaders could be in a position to exert influence if they chose to do so: former PM

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Yoshiro Mori, who himself negotiated the 2001 Irkutsk statement with then-President Putin and who now heads a Japan-Russia parliamentary friendship league; former VFM Shotaro Yachi, designated as Japan's special trouble-shooting envoy for various diplomatic problems; and newly-appointed Ambassador to Russia Masaharu Kono. However, few Japanese politicians or analysts have any new ideas about how to resolve the Northern Territories problem. Those who might would be severely hobbled by domestic political considerations or the lingering stigma arising from the 2002 Muneo Suzuki scandal. (Comment: Suzuki, an influential Diet member who also served as Deputy Chief Cabinet Secretary to former PM Keizo Obuchi, reportedly played a key behind-the-scenes role in pressuring the Foreign Ministry to modify Japan's policy toward Russia. In 2002, police arrested Suzuki for accepting bribes from two Hokkaido companies which held construction contracts in Russia - a crime for which he was later convicted and sentenced to two years in prison.)

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Conclusion  
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¶12. (S) Despite some occasional public posturing, the Japanese and Russians maintain a healthy, diverse, and profitable range of contacts across the military, political, and economic spectrum and are content to leave things pretty much the way they are. What both sides need, and have so far succeeded in working toward, is a routine mechanism for managing the random small-scale crises (e.g. fishing boat violations, military aircraft incursions) that might, if not handled correctly, turn into the large-scale diplomatic incident neither side wants. Witness the quietly effective way both sides handled the 2006 incident where the Russian Coast Guard killed a crew member of a fishing boat that allegedly crossed the Northern Territories demarcation line (Ref I), or the way Russia dialed back its public rhetoric on U.S.-Japan BMD cooperation (Ref C). Japan and Russia will usually quietly find ways to resolve minor festering issues and continue with business as usual.

ZUMWALT